

R E P O R T

UNITED WAY OF SOUTHEAST LOUISIANA

DECEMBER 31, 2012

UNITED WAY OF SOUTHEAST LOUISIANA

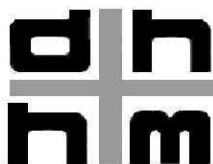
INDEX TO REPORT

DECEMBER 31, 2012

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 – 2
FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 21
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT</i> <i>AUDITING STANDARDS</i>	22 – 23
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133	24 – 25
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	26
Notes to Schedule of Expenditures of Federal Awards	27
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	28

WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

ANN H. HEBERT, C.P.A.
HEATHER M. JOVANOVIH, C.P.A.
TERRI L. KITTO, C.P.A.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.
CLIFFORD J. GIFFIN, Jr., CPA
HENRY L. SILVIA, C.P.A.

A.J. DUPLANTIER JR, C.P.A. (1919-1985)
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., CPA (1920-1996)
JAMES MAHER, JR, C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT

June 6, 2013

To the Board of Trustees of the
United Way of Southeast Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the United Way of Southeast Louisiana (United Way), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report On Summarized Comparative Information

We have previously audited United Way's 2011 financial statements, and our report dated July 6, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2013, on our consideration of United Way's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher, LLP

UNITED WAY OF SOUTHEAST LOUISIANA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

	2012				2011
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
ASSETS:					
Cash and cash equivalents (Note 1)	\$ 899,660	\$ 1,209,713	\$ -	\$ 2,109,373	\$ 1,867,165
Investments, at fair value: (Note 1)					
Certificates of Deposit	1,414,285	1,342,465	-	2,756,750	4,464,872
U.S. Government securities	10,009	-	-	10,009	10,008
Mutual funds (Note 15)	-	92,553	1,594,405	1,686,958	1,544,675
Beneficial interest in assets held by others (Note 15)	729,271	-	2,188,109	2,917,380	2,527,947
Investment in Common Endowment Fund of Greater New Orleans Foundation (Note 15)	283,257	-	14,724	297,981	278,683
Total investments	<u>2,436,822</u>	<u>1,435,018</u>	<u>3,797,238</u>	<u>7,669,078</u>	<u>8,826,185</u>
Pledges receivable: (Note 11)					
Current campaign	1,098,282	1,877,898	-	2,976,180	3,383,379
Prior campaigns	2,817,768	152,750	-	2,970,518	2,968,505
Less: Allowance for uncollectible pledges (Note 3)	<u>(1,030,526)</u>	<u>(143,968)</u>	<u>-</u>	<u>(1,174,494)</u>	<u>(1,206,200)</u>
Pledges receivable, net	<u>2,885,524</u>	<u>1,886,680</u>	<u>-</u>	<u>4,772,204</u>	<u>5,145,684</u>
Other assets and prepaid expenses	<u>59,449</u>	<u>213,710</u>	<u>-</u>	<u>273,159</u>	<u>499,286</u>
Property and equipment: (Notes 1 and 4)					
Land	302,893	-	-	302,893	302,893
Automobile	52,090	-	-	52,090	52,090
Building	1,113,285	-	-	1,113,285	1,113,285
Furniture and equipment	781,485	-	-	781,485	767,200
Less: Accumulated depreciation	<u>(1,472,439)</u>	<u>-</u>	<u>-</u>	<u>(1,472,439)</u>	<u>(1,375,442)</u>
Property and equipment, net	<u>777,314</u>	<u>-</u>	<u>-</u>	<u>777,314</u>	<u>860,026</u>
TOTAL ASSETS	<u>\$ 7,058,769</u>	<u>\$ 4,745,121</u>	<u>\$ 3,797,238</u>	<u>\$ 15,601,128</u>	<u>\$ 17,198,346</u>
LIABILITIES AND NET ASSETS:					
Allocations and designations payable to member agencies	\$ 4,508,719	\$ 886,828	\$ -	\$ 5,395,547	\$ 6,455,836
Amounts held for others	39,211	-	-	39,211	13,815
Accounts payable and accrued expenses	397,672	575,457	-	973,129	1,752,802
Line of credit payable (Note 16)	-	-	-	-	400,041
Total liabilities	<u>4,945,602</u>	<u>1,462,285</u>	<u>-</u>	<u>6,407,887</u>	<u>8,622,494</u>
Net assets:					
Unrestricted (Note 7)	2,113,167	-	-	2,113,167	1,531,696
Temporarily restricted (Note 8)	-	3,282,836	-	3,282,836	3,470,251
Permanently restricted (Note 9)	-	-	3,797,238	3,797,238	3,573,905
Total net assets	<u>2,113,167</u>	<u>3,282,836</u>	<u>3,797,238</u>	<u>9,193,241</u>	<u>8,575,852</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,058,769</u>	<u>\$ 4,745,121</u>	<u>\$ 3,797,238</u>	<u>\$ 15,601,128</u>	<u>\$ 17,198,346</u>

See accompanying notes.

UNITED WAY OF SOUTHEAST LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

	2012				2011
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:					
Public support (Note 1):					
Contributions	\$ 9,620,525	\$ 4,534,657	\$ 205,000	\$ 14,360,182	\$ 17,534,357
Less:					
Provision for uncollectible accounts	(608,380)	(98,263)	-	(706,643)	(719,013)
Donor designations	<u>(1,267,555)</u>	<u>(873,810)</u>	<u>-</u>	<u>(2,141,365)</u>	<u>(4,023,623)</u>
Total public support	7,744,590	3,562,584	205,000	11,512,174	12,791,721
Revenue:					
Investment income (loss) (Notes 1 and 2)	355,276	174,023	18,333	547,632	128,076
In-kind contributions (Note 1)	365,858	-	-	365,858	581,596
Grants, program and consulting fees	-	1,931,270	-	1,931,270	2,884,626
Special events, fundraisers and other income	388,102	-	-	388,102	303,649
Rental income (loss), net of expense	<u>(194,707)</u>	<u>-</u>	<u>-</u>	<u>(194,707)</u>	<u>(205,258)</u>
Net assets released from restrictions	<u>5,855,292</u>	<u>(5,855,292)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>14,514,411</u>	<u>(187,415)</u>	<u>223,333</u>	<u>14,550,329</u>	<u>16,484,410</u>
ALLOCATIONS AND EXPENSES:					
Allocations to agencies and other assistance provided (Note 1)	9,761,069	-	-	9,761,069	15,625,050
Less: Designations to agencies	<u>(2,141,365)</u>	<u>-</u>	<u>-</u>	<u>(2,141,365)</u>	<u>(4,023,623)</u>
Net allocations	7,619,704	-	-	7,619,704	11,601,427
National organization dues	140,074	-	-	140,074	144,268
Functional expenses (Note 1)	<u>6,173,162</u>	<u>-</u>	<u>-</u>	<u>6,173,162</u>	<u>6,515,906</u>
Total allocations and expenses	<u>13,932,940</u>	<u>-</u>	<u>-</u>	<u>13,932,940</u>	<u>18,261,601</u>
Change in net assets	581,471	(187,415)	223,333	617,389	(1,777,191)
NET ASSETS AT BEGINNING OF YEAR	<u>1,531,696</u>	<u>3,470,251</u>	<u>3,573,905</u>	<u>8,575,852</u>	<u>10,353,043</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,113,167</u>	<u>\$ 3,282,836</u>	<u>\$ 3,797,238</u>	<u>\$ 9,193,241</u>	<u>\$ 8,575,852</u>

See accompanying notes.

UNITED WAY OF SOUTHEAST LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

	2012								
	PROGRAM SERVICES			SUPPORTING SERVICES					
	Fund Distribution and Outcomes	Grants and Other	Total Program Expenses	Fund Raising	Marketing and Communications	Management and General	Total Supporting Services Expenses	Total	2011 Total
Salaries	\$ 542,836	\$ 933,138	\$ 1,475,974	\$ 1,282,634	\$ 189,472	\$ 378,113	\$ 1,850,219	\$ 3,326,193	\$ 3,430,755
Employee benefits	114,284	159,385	273,669	249,413	42,292	64,575	356,280	629,949	666,401
Payroll taxes	43,205	61,732	104,937	102,656	14,972	25,381	143,009	247,946	257,337
Total salaries and related expenses	700,325	1,154,255	1,854,580	1,634,703	246,736	468,069	2,349,508	4,204,088	4,354,493
Professional fees	21,567	482,121	503,688	82,393	8,088	9,225	99,706	603,394	453,958
Supplies	8,142	14,464	22,606	23,593	3,610	5,993	33,196	55,802	87,103
Telephone	8,985	15,963	24,948	26,038	3,984	6,614	36,636	61,584	47,777
Postage and shipping	1,671	3,001	4,672	5,393	482	650	6,525	11,197	13,302
Occupancy	11,328	72,047	83,375	41,469	4,433	4,513	50,415	133,790	74,530
Equipment rental and maintenance	5,869	7,327	13,196	15,742	1,682	2,754	20,178	33,374	42,239
Printing, publications and advertising	5,454	42,876	48,330	103,069	7,388	1,096	111,553	159,883	228,301
In kind advertising	10,377	81,577	91,954	196,104	14,057	2,085	212,246	304,200	522,815
Local travel and report meetings	28,418	154,545	182,963	260,265	8,340	6,795	275,400	458,363	422,265
Training and out of town travel	1,028	7,451	8,479	8,289	831	757	9,877	18,356	21,366
Membership dues	1,754	2,255	4,009	5,263	572	630	6,465	10,474	9,496
Equipment purchases	850	1,227	2,077	6,586	370	465	7,421	9,498	7,829
Miscellaneous	1,191	2,129	3,320	7,557	592	693	8,842	12,162	9,091
Total expenses before depreciation	806,959	2,041,238	2,848,197	2,416,464	301,165	510,339	3,227,968	6,076,165	6,294,565
Depreciation	13,471	32,849	46,320	37,464	4,835	8,378	50,677	96,997	221,341
TOTAL FUNCTIONAL EXPENSES	\$ <u>820,430</u>	\$ <u>2,074,087</u>	\$ <u>2,894,517</u>	\$ <u>2,453,928</u>	\$ <u>306,000</u>	\$ <u>518,717</u>	\$ <u>3,278,645</u>	\$ <u>6,173,162</u>	\$ <u>6,515,906</u>

See accompanying notes.

UNITED WAY OF SOUTHEAST LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Change in net assets	\$ 617,389	\$ (1,777,191)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	96,997	221,341
Provision for uncollectible accounts	706,643	719,013
Loss on disposal of asset	-	5,928
Realized and unrealized loss (gain) on investments	(387,381)	48,577
Changes in assets and liabilities:		
Pledges receivable, net	(333,163)	(1,025,913)
Prepaid expenses and other assets	226,127	(250,582)
Accounts payable and accrued liabilities	(779,673)	(216,522)
Amounts held for others	25,396	16,655
Allocations and designations payable	(1,060,289)	18,350
Net cash used by operating activities	<u>(887,954)</u>	<u>(2,240,344)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(14,285)	(189,349)
Net (purchases) sale of investments	<u>1,544,488</u>	<u>1,627,363</u>
Net cash provided by investing activities	<u>1,530,203</u>	<u>1,438,014</u>
Cash flows from financing activities:		
Proceeds from (payments on) line of credit	<u>(400,041)</u>	<u>400,041</u>
Net cash provided (used) by financing activities	<u>(400,041)</u>	<u>400,041</u>
Net change in cash and cash equivalents	242,208	(402,289)
Cash and cash equivalents at beginning of year	<u>1,867,165</u>	<u>2,269,454</u>
Cash and cash equivalents at end of year	\$ <u><u>2,109,373</u></u>	\$ <u><u>1,867,165</u></u>
Cash paid for:		
Interest	\$ <u><u>6,163</u></u>	\$ <u><u>3,273</u></u>
Income taxes	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

See accompanying notes.

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

ORGANIZATIONAL PURPOSE:

United Way of Southeast Louisiana (United Way), is a not-for-profit organization, which through its annual fund raising campaign, solicits contributions from corporate and individual donors in the greater New Orleans area for distribution to various organizations in the Louisiana Parishes of Orleans, Jefferson, St. Tammany, Tangipahoa, Plaquemines, St. Bernard and Washington.

United Way also serves as a campaign agent for the solicitation of contributions from federal civilian and uniformed service personnel.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of the accompanying financial statements are as follows:

Basis of Accounting:

The financial statements of United Way are prepared on the accrual basis.

Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements for Not-for-Profit Entities*. Under ASC 958-205, United Way is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Public Support and Revenue:

In accordance with ASC 958-605, *Revenue Recognition of Not-for-Profit Entities*, contributions to United Way are recorded when pledges are made. Allowances are provided for amounts estimated to be uncollectible. The allowance for uncollectible pledges is maintained at a level which the Board of Trustees (the Board) considers adequate based on prior collection experience and current economic conditions. All contributions are considered to be available for unrestricted use unless specifically restricted by donors. Pledges outstanding that are designated for future periods are reported as temporarily restricted support. In addition, custodial funds, whereby United Way simply serves as a conduit for contributions to others based on donor designations, are included in revenue in United Way's financial statements, but are then subtracted from revenue and the related expense. United Way honors all designations.

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Public Support and Revenue: (Continued)

Amounts received with donor stipulations that limit the use of the donated assets are reported as restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Donated Services and In-Kind Contributions:

Although a large number of volunteers have donated significant amounts of their time to United Way's fund raising campaigns and allocation activities, donated services are not recorded in the financial statements because no objective basis is available to measure the value of such services.

Included in revenue and functional expenses is \$304,200 and \$522,815 for advertising donated during the years ended December 31, 2012 and 2011, respectively.

Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value (based on quoted market prices) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. See note 2 for discussion of fair value measurements.

Property and Equipment:

Property and equipment are stated at cost. Donated property and equipment are recorded at fair value at the date of receipt. Individual items of \$1,000 or more are capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets (three to ten years) using the straight-line method. The building is depreciated using the straight-line method over a period of thirty years. Depreciation expense for the years ended December 31, 2012 and 2011 was \$96,997 and \$221,341, respectively.

Allocations to Member Agencies:

Annual allocations to agencies are established after completion of the annual fund raising campaign and accrued upon approval by the Board. Allocations based on donor designations are accrued when the designated pledges are made. Donor designated pledges are assessed both a fundraising and management and general fee based on actual historical costs in accordance with United Way Worldwide Membership Requirements. Unexpended allocations to agencies are returned to net assets in the year in which the amounts of the unexpended allocations are determined.

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Functional Expenses:

Expenses presented in the statement of functional expenses are allocated between program and supporting services. The organization allocates expenses using the full-time equivalent method which is based on the number of full-time employees in each department.

Program services consists of fund distribution and outcomes, which represents the review of agencies, programs, outcomes, United Way's funding decisions, and "other", which includes grants for early childhood education, quality improvement and rebuilding of childcare centers, Success by Six, Individual Development Savings Accounts, School to Career/Ready By 21, home rebuilding grants and other programs.

Supporting services consists of fundraising, marketing and communications, and management and general expenses.

Income Taxes:

United Way is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from State income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. Accordingly, no provision for income taxes has been included in the financial statements.

Statement of Cash Flows:

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and having original maturities of three months or less.

2011 Financial Information:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with United Way's financial statements for the year ended December 31, 2011, from which the summarized information was derived.

Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS:

United Way carried investments at fair value totaling \$7,669,078 and \$8,826,185 at December 31, 2012 and 2011, respectively. The following is an analysis of investment income for the years ended December 31:

	<u>2012</u>				<u>2011</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
Investment income	\$ 91,486	\$ 50,432	\$ --	\$ 141,918	\$ 158,468
Net realized and unrealized gains (losses)	<u>263,790</u>	<u>123,591</u>	<u>18,333</u>	<u>405,714</u>	<u>(30,392)</u>
Total return on investments	<u>\$ 355,276</u>	<u>\$ 174,023</u>	<u>\$ 18,333</u>	<u>\$ 547,632</u>	<u>\$ 128,076</u>

Investment income shown above is net of investment fees of \$9,422 and \$9,055 for the years ended December 31, 2012 and 2011, respectively.

United Way utilizes fair value measurements to record certain assets and to determine fair value disclosures. In accordance with FASB ASC Topic 820, "Fair Value Measurements," fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

ASC Topic 820 establishes a three-tier fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair values, as follows:

Level 1: Quoted prices in active markets for identical assets.

Level 2: Quoted prices for similar assets or liabilities in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies.

Level 3: Unobservable inputs that reflect management's assumptions and best estimates based on available data.

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS: (Continued)

Following is a description of the valuation methodologies used to measure fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Brokered certificates of deposit are short term and are valued at current market value.

U.S. Government securities and mutual funds are valued at the closing price reported on the active or observable market on which the individual securities are traded.

Investments in endowments other than mutual funds are valued at the fair value of the trust investments as reported to United Way by the trustees.

The following is a schedule of investments held by United Way at December 31, 2012 and 2011, including the fair value detailed by level of measurement.

	Total Fair Value	Level 1	Level 2	Level 3
<u>2012</u>				
INVESTMENTS:				
Certificates of deposit	\$ 2,756,750	\$ 2,756,750	\$ --	\$ --
U. S. Government Securities	10,009	10,009	--	--
Investments in Endowments:				
Mutual funds	1,686,958	1,686,958	--	--
Beneficial interest in assets held by others	2,917,380	962,735	1,575,386	379,259
Investment in common endowment fund of Greater New Orleans Foundation	297,981	98,334	160,910	38,737
Total	<u>\$ 7,669,078</u>	<u>\$ 5,514,786</u>	<u>\$ 1,736,296</u>	<u>\$ 417,996</u>
	Total Fair Value	Level 1	Level 2	Level 3
<u>2011</u>				
INVESTMENTS:				
Certificates of deposit	\$ 4,464,872	\$ 4,464,872	\$ --	\$ --
U. S. Government Securities	10,008	10,008	--	--
Investments in Endowments:				
Mutual funds	1,544,675	1,544,675	--	--
Beneficial interest in assets held by others	2,527,947	815,010	1,356,749	356,188
Investment in common endowment fund of Greater New Orleans Foundation	278,683	89,848	149,569	39,266
Total	<u>\$ 8,826,185</u>	<u>\$ 6,924,413</u>	<u>\$ 1,506,318</u>	<u>\$ 395,454</u>

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS: (Continued)

The tables below set forth a summary of changes in the fair value of United Way's Level 3 assets for the year ended December 31, 2012.

	Beneficial Interest In Assets Held By Others	Investment in Common Endowment Fund of Greater New Orleans Foundation	Total
Balance - beginning of year	\$ 356,188	\$ 39,266	\$ 395,454
Net contributions/distributions	(12,749)	(4,358)	(17,107)
Investment return earned	<u>35,820</u>	<u>3,829</u>	<u>39,649</u>
Balance - end of year	<u>\$ 379,259</u>	<u>\$ 38,737</u>	<u>\$ 417,996</u>

3. ALLOWANCE FOR UNCOLLECTIBLE PLEDGES:

An analysis of the activity in the allowance for uncollectible pledges is as follows for the years ended December 31:

	<u>2012</u>	<u>2011</u>
Balance - beginning of year	\$ 1,206,200	\$ 1,321,420
Add (deduct):		
Provision for uncollectible pledges	706,643	719,013
Pledges canceled or written-off	<u>(738,349)</u>	<u>(834,233)</u>
Balance - end of year	<u>\$ 1,174,494</u>	<u>\$ 1,206,200</u>

4. PROPERTY AND EQUIPMENT:

An analysis of the activity for property and equipment, net of accumulated depreciation, is as follows for the years ended December 31:

	<u>2012</u>	<u>2011</u>
Balance - beginning of year	\$ 860,026	\$ 897,947
Additions	14,285	189,349
Disposals	--	(5,929)
Less: Depreciation expense	<u>(96,997)</u>	<u>(221,341)</u>
Balance - end of year	<u>\$ 777,314</u>	<u>\$ 860,026</u>

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

5. AGENCY TRANSACTIONS:

United Way was awarded the contract to administer the Combined Federal Campaign for the Greater New Orleans Area (the Campaign), under which it conducts on-the-job solicitation of federal civilian and uniformed service personnel who are located in the greater New Orleans area for contributions to various federations.

The campaign activity for the years ended December 31, 2012 and 2011 has been included in United Way's financial statements as agency transactions. The financial statements include the following amounts:

	<u>2012</u>	<u>2011</u>
STATEMENT OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 154,118	\$ 191,394
Pledges receivable	1,218,223	1,231,421
Less: Allowance for uncollectible pledges	<u>(133,862)</u>	<u>(129,146)</u>
Total assets	1,238,479	1,293,669
Allocations and other payables	<u>(1,238,479)</u>	<u>(1,293,669)</u>
NET ASSETS	\$ <u> --</u>	\$ <u> --</u>
	<u>2012</u>	<u>2011</u>
STATEMENT OF ACTIVITIES		
Contributions	\$ 1,332,354	\$ 1,421,306
Less: Provision for uncollectible accounts	(77,354)	(73,161)
Less: Payments to designated affiliates	<u>(981,659)</u>	<u>(1,075,157)</u>
	273,341	272,988
Less: Campaign administrative fees	<u>(273,341)</u>	<u>(272,988)</u>
CHANGE IN NET ASSETS	\$ <u> --</u>	\$ <u> --</u>

6. RETIREMENT PLANS:

United Way has a Safe Harbor 401(k) Plan for all employees. United Way makes a discretionary contribution to the Plan each December for eligible employees. For the years ended December 31, 2012 and 2011, the discretionary contribution was 7% of eligible earnings, but the Board of Trustees retains authority to change the contribution amount annually. In addition to the discretionary contribution, United Way matches 100% of the first 3% of employee salary deferrals and 50% of the next 2%. The maximum match is 4%. For the years ended December 31, 2012 and 2011, United Way contributed \$303,113 and \$327,923 to the Plan. Expenses associated with the administration of the Plan are deducted from non-vested assets forfeited by participants.

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

7. UNRESTRICTED NET ASSETS:

United Way's Board of Trustees has historically designated as board designated endowments certain contributions received without donor stipulations and the investment returns related to such contributions. Amounts so designated are included in unrestricted net assets in the statement of financial position in accordance with FASB ASC Topic 958, "Not-for-Profit Entities." The unrestricted net assets of United Way, including the amounts designated by the Board of Trustees at December 31, 2012 and 2011, are summarized as follows:

	<u>2012</u>	<u>2011</u>
Board designated emergency reserve	\$ 36,702	\$ --
Board appropriated building renovation and upkeep	309,890	240,840
Designated endowment funds	1,012,528	777,400
Land, building, equipment and automobiles	754,047	829,949
Unrestricted deficit	<u>--</u>	<u>(316,493)</u>
	<u>\$ 2,113,167</u>	<u>\$ 1,531,696</u>

8. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Contributions receivable for current campaigns	\$ 883,436	\$ 1,113,941
SB6/Seamless Transition/Parent Engagement	250,480	68,057
Rebuilding grants and other grants	21,449	69,202
Hospitality Cares	25,007	5,260
Hurricane Katrina Recovery	--	138,561
Individual Development Savings Accounts	1,019,822	949,743
Ratepayer Endowment funds	92,553	--
School to Career/Ready By 21/NOKP	--	48,133
Women's Leadership Council	176,298	174,209
Plaquemines-Rebuild and Maintenance		
Community Centers	<u>813,791</u>	<u>903,145</u>
	<u>\$ 3,282,836</u>	<u>\$ 3,470,251</u>

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

9. PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets at December 31, 2012 and 2011, are restricted to investments in perpetuity, the income from which is expendable to support the purposes of the following:

	<u>2012</u>	<u>2011</u>
Common Endowment Funds:		
Charles E. Dunbar Fund	\$ 1,000	\$ 1,000
N.O.P.S.I. Endowment Fund (G.S. Dinwiddie)	3,724	3,724
Edith H. Beckman Fund	10,000	10,000
New Orleans Electric Ratepayers Fund	1,594,405	1,576,072
Beneficial interest in assets held by others	<u>2,188,109</u>	<u>1,983,109</u>
	<u>\$ 3,797,238</u>	<u>\$ 3,573,905</u>

The permanently restricted net assets all relate to endowment funds of United Way. See footnote 15 for descriptions of the endowment funds.

10. CONCENTRATION OF CREDIT RISK:

United Way maintains cash balances and certificates of deposit at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The amounts on deposit as of December 31, 2012 exceeded the federally insured limit by \$37,160, respectively. At December 31, 2011, all balances were fully insured.

Securities purchased under agreements to resell included in cash and cash equivalents, totaling \$1,115,340 and \$1,475,982 were fully collateralized by government agency securities at December 31, 2012 and 2011, respectively.

The investments in United Way's endowment funds are not guaranteed or otherwise secured by the Trustees. The endowment funds are invested in diverse portfolios of equities, fixed income securities, exchange-traded funds, other investments and money market funds.

11. PLEDGES RECEIVABLE - PROMISES TO GIVE:

Pledges receivable consists of campaign promises to give. Concentrations of credit risk with respect to the promises to give are limited due to the large number of contributors comprising United Way's contributor base and their dispersion across different industries in the Southeast Louisiana.

Most pledged receivables are unsecured and are due within one year; hence, they are recorded at fair value without any discount factored. Pledged receivables in the amount of \$152,750 are due over a period of five years and have been recorded at the present value of estimated future cash flows, using a discount rate of 6%. The discount of \$23,000 has been included in the allowance for uncollectible pledges. The following pledges receivable were outstanding at December 31, 2012 and 2011:

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

11. PLEDGES RECEIVABLE - PROMISES TO GIVE: (Continued)

	<u>2012</u>	<u>2011</u>
Pledges receivable in less than one year	\$ 5,893,698	\$ 5,963,051
Pledges receivable in one to five years	<u>53,000</u>	<u>388,833</u>
Total	<u>\$ 5,946,698</u>	<u>\$ 6,351,884</u>

12. ADVERTISING:

United Way's policy is to expense all advertising fees as incurred. Advertising purchased was \$34,653 and \$59,091 for December 31, 2012 and 2011, respectively.

The expense recognized for in-kind advertising services donated was \$304,200 and \$522,815 for the years ended December 31, 2012 and 2011, respectively.

13. OPERATING LEASES:

In 2011, United Way leased an office in Covington, Louisiana under an operating lease that expired in December 2011. The lease continued on a monthly basis through March 2012. Rent expense incurred under this lease for the years ended December 31, 2012 and 2011 was \$5,495 and \$14,140, respectively. A lease for a new office in Mandeville, Louisiana commenced in April 2012. The lease is for a term of five years, expiring in March 2017. Rent expense incurred under this lease for the year ended December 31, 2012 was \$15,900. The following is a schedule of future rental expense under the lease agreement at December 31, 2012:

<u>Year Ended December 31</u>	<u>Amount</u>
2013	\$ 18,000
2014	18,000
2015	18,000
2016	18,000
2017	<u>4,500</u>
	<u>\$ 76,500</u>

14. OCCUPANCY

United Way leases space in the Norman Mayer Memorial Building to a nonprofit agency that is a member agency of United Way under a lease expiring in December 31, 2013. Rental income associated with the lease totaled \$145,481 and \$151,635 for 2012 and 2011, respectively. The building expenses related to the leases, \$340,188 and \$356,894 for 2012 and 2011, respectively, have been included in the statement of activities as a deduction of rental income. The future rental income under the lease agreement will be \$144,298 during 2013.

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

15. ENDOWMENT ASSETS:

As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Following is a description of United Way's endowment funds.

United Way has a board-designated, irrevocable endowment fund with the Greater New Orleans Foundation to receive and invest funds for the benefit of United Way. All income received from the endowment is unrestricted and is used to cover operating expenses. Contributions received and transferred to the endowment fund for 2012 and 2011 totaled \$205,000 and \$3,900, respectively. Investment income for 2012 and 2011, net of administrative expenses and grants totaled \$184,433 and \$(19,467), respectively. The amount of the endowment reflected in the statement of financial position as beneficial interest in assets held by others is \$2,917,380 and \$2,527,947 at December 31, 2012 and 2011, respectively. The original and subsequent contributions to the endowment fund are considered to be permanently restricted because they are irrevocable gifts to a permanent endowment.

United Way's donor-restricted common endowment funds with the Greater New Orleans Foundation consist of four separate funds. The original investment of \$14,724 in three of the endowment funds is permanently restricted. All income is unrestricted. There were no contributions to the endowment funds in 2012 and 2011. Investment income for 2012 and 2011, net of administrative expenses and grants, totaled \$19,298 and \$(2,936), respectively. The amount of the endowments reflected in the statement of financial position as investment in common endowment fund is \$297,981 and \$278,683 at December 31, 2012 and 2011, respectively.

The New Orleans Electric Ratepayers Fund is a donor-restricted endowment fund of United Way. The original investment in the endowment fund and all short and long term capital gains are permanently restricted. Investment income and unrealized gains and losses are temporarily restricted. There were no contributions to the endowment in 2012 and 2011. Investment income for 2012 and 2011, net of withdrawals, totaled \$123,951 and \$(31,397), respectively. The amount of the endowment reflected in the statement of financial position as mutual funds is \$1,686,958 and \$1,544,675, respectively.

Interpretation of Relevant Law:

The Board of Directors of United Way has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, United Way classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

15. ENDOWMENT ASSETS: (Continued)

Interpretation of Relevant Law: (Continued)

value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditures by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the organization
- 7) The investment policies of United Way

Financial Summary:

The following summarizes the financial activity of the endowment assets of United Way for 2012 and 2011:

Changes in United Way Endowment Net Assets
for the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 777,400	\$ --	\$ 3,573,905	\$ 4,351,305
Investment return:				
Investment income	72,600	35,855	--	108,455
Net appreciation (realized and unrealized)	263,790	123,591	18,333	405,714
Total investment return	336,390	159,446	18,333	514,169
Contributions	--	--	205,000	205,000
Appropriation of endowment assets for administrative expenses and grants	(101,262)	(66,893)	--	(168,155)
Endowment net assets, end of year	\$ 1,012,528	\$ 92,553	\$ 3,797,238	\$ 4,902,319

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

15. ENDOWMENT ASSETS: (Continued)

Financial Summary: (Continued)

Endowment Net Asset Composition by Type of Fund
as of December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 283,257	\$ 92,553	\$ 1,609,129	\$ 1,984,939
Board-designated endowment funds	<u>729,271</u>	<u>--</u>	<u>2,188,109</u>	<u>2,917,380</u>
Endowment net assets, end of year	<u>\$ 1,012,528</u>	<u>\$ 92,553</u>	<u>\$ 3,797,238</u>	<u>\$ 4,902,319</u>

Changes in United Way Endowment Net Assets
for the Year Ended December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 831,200	\$ 87,020	\$ 3,551,111	\$ 4,469,331
Investment return:				
Investment income	36,244	33,543	--	69,787
Net appreciation (realized and unrealized)	<u>6,300</u>	<u>(53,290)</u>	<u>18,894</u>	<u>(28,096)</u>
Total investment return	42,544	(19,747)	18,894	41,691
Contributions	--	--	3,900	3,900
Appropriation of endowment assets for administrative expenses and grants	<u>(96,344)</u>	<u>(67,273)</u>	<u>--</u>	<u>(163,617)</u>
Endowment net assets, end of year	<u>\$ 777,400</u>	<u>\$ --</u>	<u>\$ 3,573,905</u>	<u>\$ 4,351,305</u>

Endowment Net Asset Composition by Type of Fund
as of December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 232,562	\$ --	\$ 1,590,796	\$ 1,823,358
Board-designated endowment funds	<u>544,838</u>	<u>--</u>	<u>1,983,109</u>	<u>2,527,947</u>
Endowment net assets, end of year	<u>\$ 777,400</u>	<u>\$ --</u>	<u>\$ 3,573,905</u>	<u>\$ 4,351,305</u>

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

15. ENDOWMENT ASSETS: (Continued)

Funds with Deficiencies:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires United Way to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. These deficiencies may result from unfavorable market fluctuations occurring after the investment of new permanently restricted contributions and continued appropriation for programs that was deemed prudent by the Board of Directors. At December 31, 2012, there were no such deficiencies. At December 31, 2011, deficiencies of \$31,397 were included in unrestricted net assets.

Return Objectives and Risk Parameters:

United Way has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Endowment assets include those assets of donor-restricted funds that United Way must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve the principal of the endowment assets.

Strategies Employed for Achieving Objectives:

To satisfy its long-term rate-of-return objectives, United Way relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). United Way targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy:

United Way has a policy of appropriating for distribution each year the donors' contribution and the investment earnings for the year. Accordingly, over the long-term, United Way expects the current spending policy to allow for preservation of the principal.

16. LINE OF CREDIT:

During 2011, United Way obtained a \$1,000,000 unsecured line of credit from a local bank. The line of credit was due October 2012 and bore interest at a variable rate, which was 3.25% at December 31, 2011. The balance due on the line of credit was \$400,041 at December 31, 2011. The line of credit was paid in full during 2012.

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 WITH COMPARATIVE TOTALS FOR 2011

17. COMPENSATED ABSENCES PAYABLE:

Employee personal leave is cumulative and may be carried forward from year to year, up to a maximum of 60 workdays. Upon separation, employees are paid for any unused personal leave days. The accrued liability was \$286,129 and \$253,866 at December 31, 2012 and 2011, respectively.

18. NAME CHANGE:

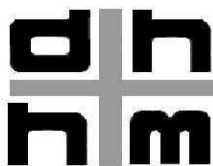
In 2011, the Board of Trustees approved the change of United Way's name from United Way for the Greater New Orleans Area to United Way of Southeast Louisiana.

19. RECLASSIFICATIONS:

Certain amounts in the 2011 financial statements have been reclassified for comparative purposes to conform to the presentation in the 2012 financial statements.

20. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, which was June 6, 2013 and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

ANN H. HEBERT, C.P.A.
HEATHER M. JOVANOVIH, C.P.A.
TERRI L. KITTO, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.
CLIFFORD J. GIFFIN, Jr., CPA
HENRY L. SILVIA, C.P.A.

A.J. DUPLANTIER JR, C.P.A. (1919-1985)
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., CPA (1920-1996)
JAMES MAHER, JR, C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

June 6, 2013

Board of Directors
United Way of Southeast Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Southeast Louisiana, which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 6, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Southeast Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of Southeast Louisiana's internal control. Accordingly, we do not express an opinion of the effectiveness of the organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of Southeast Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

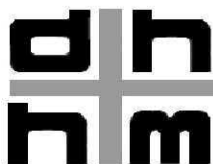
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

ANN H. HEBERT, C.P.A.
HEATHER M. JOVANOVIH, C.P.A.
TERRI L. KITTO, C.P.A.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.
CLIFFORD J. GIFFIN, Jr., CPA
HENRY L. SILVIA, C.P.A.

A.J. DUPLANTIER JR, C.P.A. (1919-1985)
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., CPA (1920-1996)
JAMES MAHER, JR, C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

June 6, 2013

Board of Directors
United Way of Southeast Louisiana

Report on Compliance for Each Major Federal Program

We have audited United Way of Southeast Louisiana's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of United Way of Southeast Louisiana's major federal programs for the year ended December 31, 2012. United Way of Southeast Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of United Way of Southeast Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about United Way of Southeast Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of United Way of Southeast Louisiana's compliance.

Opinion on Each Major Federal Program

In our opinion, United Way of Southeast Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of United Way of Southeast Louisiana is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered United Way of Southeast Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of United Way of Southeast Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

UNITED WAY OF SOUTHEAST LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Program Department / Title</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Funds passed through City of New Orleans:			
AFI Program	90E10443	93.602	\$ <u>39,844</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>39,844</u>
<u>U.S. DEPARTMENT OF THE TREASURY:</u>			
Funds received directly:			
Volunteer Income Tax Assistance Matching Grant Program	V12278	21.009	<u>103,314</u>
TOTAL DEPARTMENT OF THE TREASURY			<u>103,314</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>			
Funds passed through State of Louisiana:			
NonProfit Rebuilding Pilot Program	686738	14.228	698,163
Plaquemines Parish NonProfit Rebuilding Pilot Program	688456	14.228	722,013
Plaquemines Parish Housing Grant	699492	14.228	13,411
NonProfit Rebuilding Pilot Program	709128	14.228	<u>39,226</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>1,472,813</u>
TOTAL FEDERAL EXPENDITURES			\$ <u><u>1,615,971</u></u>

UNITED WAY OF SOUTHEAST LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of United Way of Southeast Louisiana and is presented on the accrual basis of accounting. Grant revenues are recorded, for financial reporting purposes, when United Way of Southeast Louisiana has met the cost of reimbursement or funding qualifications for the respective grants.

UNITED WAY OF SOUTHEAST LOUISIANA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

* Material weakness(es) identified? ☐ yes ☒ no
 * Control deficiencies identified that are not
 considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards:

Internal control over major programs:

* Material weakness(es) identified? ☐ yes ☒ no
 * Control deficiencies identified that are not
 considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in
 accordance with section 510(a) of Circular A-133: ☐ yes ☒ no

Identification of major program:

<u>Name of Program</u>	<u>CFDA No.</u>	<u>Expenditures</u>
Community Development Block Grant Nonprofit Rebuilding Program	14.228	\$ <u>1,472,813</u>
Dollar threshold used to distinguish between Type A and Type B programs:		\$ 300,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no	

B. FINDINGS REQUIRED TO BE REPORTED UNDER GOVERNMENTAL AUDITING
 STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

NONE

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

D. PRIOR YEAR FINDINGS

NONE